

Activity 1 & 2 : Direct & Indirect tax

Activity 1: Direct tax and Indirect tax

Activity 2: Research work on VAT

Aim: To assess the understanding of direct and indirect taxation.

Instructions to Educators:

- Distribute the tax example cards randomly to students (one per student or group).
- One at a time, students come up and post their card into the envelope/box they believe is correct (**Direct or Indirect**).
- Review each answer as a class and **discuss why** each tax is direct or indirect.



Income Tax

Money people pay from their earnings.



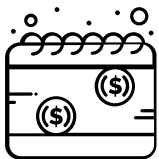
Custom duty on imported goods

A tax charged on goods when they are imported.



Property Tax

Paid by the owner on land or buildings.



VAT on groceries

A tax added to the price of goods and services.



Corporate Tax

Companies pay corporate tax when they make profits.



Tax added on a movie ticket.

Activity 1 & 2 : Direct & Indirect tax



Activity 2 | Research Activity

Activity 2: Research Activity

Read the conversation between Nidhi and her friend Larson to refresh your understanding of tax.



Hello Larson.

The price of the bread is **Rs 10** and I pay the cashier **Rs 10**.

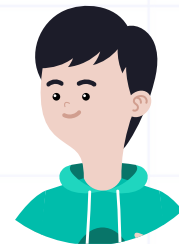


Hello Nidhi.

Can you tell me how much you pay for your bread?



That extra money is for **Tax**.



I bought a video game costing **Rs 50**.

But The Cashier asked me to pay her **Rs 55**.

I do not understand why the cashier charged me Rs 5 extra.



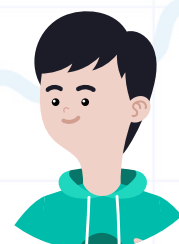
Tax is the extra money we pay to the government when we buy certain goods and services. The government uses it to help pay for schools, roads, and hospitals. Some items are charged for tax whereas there are certain items that do not pay tax.



Tax??

What is tax and why you do not pay tax for the bread?

For example **Bread** is a basic food that people need every day, so the government doesn't charge tax on it, but video game is not a need, so tax is added to its price.



Activity 2 | Research Work

Research Work:

You are required to identify two goods and two services on which VAT is imposed in Mauritius. Use the space provided to show the two goods and services identified.